



**MACROECONOMIC DETERMINANTS THAT INFLUENCING INFLATION RATE  
IN MALAYSIA**

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DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA MELAKA**

**“DECLARATION OF ORIGINAL WORKS”**

I, SYAZANISA BINTI ZAINI, 921217-04-5434

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any others degrees.
- This project paper is the result of my independent work and investigations, except where otherwise stated.
- All verbalism extract have been distinguished by quotation and sources of my information have been specifically acknowledge.

Signature: .....

Date: .....

## LETTER OF SUBMISSION

8<sup>th</sup> January 2016

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Dear Madam,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled “**MACROECONOMIC DETERMINANTS THAT INFLUENCING INFLATION RATE IN MALAYSIA**” to fulfil the requirement as needed by the Faculty of Business Management, University Technology Mara.

Thank you.

Yours sincerely,

**SYAZANISA BINTI ZAINI**

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## **ABSTRACT**

The aim of this study is to investigate the relationship between selected macroeconomic determinants with inflation rate in Malaysia. The study used 3 models of Single Linear Regression in order to find the relationship between money supply, unemployment rate and exchange rate with inflation rate. The quarterly data was collected from 2000 until 2014. From the result, it reveals that money supply has positive significant relationship toward inflation rate while unemployment rate and exchange rate have negative significant relationship towards inflation rate. It means that there are effects between money supply, unemployment rate and exchange rate with inflation rate. These results further our understanding of the relationship between money supply, unemployment rate and exchange rate with inflation rate thus this study should be useful for public, industries and policy makers.